IOWA VALLEY COMMUNITY COLLEGE DISTRICT

INDEPENDENT AUDITOR'S REPORTS BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2015

TABLE OF CONTENTS

		Page
Officials		1
Independent Auditor's Report		2-4
Management's Discussion and Analysis		5-12
Basic Financial Statements:	Exhibit	
Statement of Net Position	A	13
Statement of Revenues, Expenses and Changes in Net Position	В	14-15
Statement of Cash Flows	С	16-17
Combining Statement of Net Assets –		
Component Units – Foundations (unaudited)	D	18
Combining Statement of Revenues, Expenses and Changes in Net Assets –		
Component Units – Foundations (unaudited)	E	19
Notes to Financial Statements		20-39
Deguined Supplementary Information		
Required Supplementary Information: Schedule of the College's Proportionate Share		
e i		40
of the Net Pension Liability Schedule of College Contributions		40
Notes to Required Supplementary Information – Pension Liability		42-43
Schedule of Funding Progress for the Retiree Health Plan		42-43
Schedule of Funding Frogress for the Redice Health Flan		44
Supplementary Information:	Schedule	
Notes to Supplementary Information		45-46
Budgetary Comparison Schedule of Expenditures –		
Budget to Actual	1	47
Balance Sheet – All Funds	2	48-49
Schedule of Revenues, Expenditures and Changes in Fund Balances –		
All Funds	3	50-51
Unrestricted funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balances –		
Education and Support	4	52
Schedule of Revenues, Expenditures and Changes in Fund Balances –		
Auxiliary Enterprises	5	53
Schedule of Revenues, Expenditures and Changes in Fund Balances –		
Restricted Fund	6	54-55
Schedule of Changes in Deposits Held in Custody for Others –		
Agency Funds	7	56
Schedule of Credit and Contact Hours	8	57
Schedule of Tax and Intergovernmental Revenues	9	58
Schedule of Current Fund Revenues by Source		
and Expenditures by Function	10	59
Schedule of Expenditures of Federal Awards	11	60-61

TABLE OF CONTENTS (Continued)

	Page
Independent Auditor's Report	
on Internal Control over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of	
Financial Statements Performed in Accordance with	
Government Auditing Standards	62-63
Independent Auditor's Report on	
Compliance for each Major Federal Program	
and on Internal Control over Compliance	
Required by OMB Circular A-133	64-65
Schedule of Findings and Questioned Costs	66-68

OFFICIALS

Name	Title	Term Expires
	Board of Directors	
Conrad DeJardin	President	2015
Yvonne Mallory	Vice President	2017
Deborah Crosser	Member	2015
Larry Johnson	Member	2015
Deborah Jones	Member	2017
Delbert Kellogg	Member	2017
Paul Pohlson	Member	2015
	Community College	
Dr. Christopher Duree	Chancellor	
Kathleen Pink	Chief Financial Officer and Board Treasurer	
Barbara Jennings	Board Secretary	

IOWA VALLEY COMMUNITY COLLEGE DISTRICT



Independent Auditor's Report

To the Board of Directors of Iowa Valley Community College District Marshalltown, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Valley Community College District, Marshalltown, Iowa, as of and for the year-ended June 30, 2015, and the related Notes to Financial Statements. We were not engaged to audit the financial statements of the aggregate discretely presented component units. These financial statements collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for opinion on the aggregate presented component units.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Summary of Opinions

Opinion Unit	Type of Opinion
Financial Statements	Unmodified
Aggregate Discretely Presented Component Units	Disclaimed
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Marshalltown Community College District Foundation and Ellsworth College Foundation were not audited, and we were not engaged to audit the Marshalltown Community College District Foundation and Ellsworth College Foundation's financial statements as part of our audit of the College's basic financial statements. The Marshalltown Community College District Foundation and Ellsworth College Foundation's financial activities are included in the College's basic financial statements as discretely presented component units and represent 100% of the assets, net financial position and revenue of the College's aggregate discretely presented component units.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the Iowa Valley Community College District, Marshalltown, Iowa. Accordingly, we do not express an opinion on these financial statements.

Unmodified Opinions

In our opinion, based on our audit, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of Iowa Valley Community College District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Iowa Valley Community College District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 12, 40 through 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it

Other Matters (Continued)

Required Supplementary Information (continued)

to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Valley Community College District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of Iowa Valley Community College District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us. In our opinion, based on our audit and the procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

Schnew & Company, LLP

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2015 on our consideration of Iowa Valley Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa Valley Community College District's internal control over financial reporting and compliance.

Fort Dodge, Iowa

December 3, 2015

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Iowa Valley Community College District (the District) provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year-ended June 30, 2015. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- District operating revenues increased approximately \$2,530,000 compared to 2014. This occurred as a combination of increases in federal appropriations, Iowa Industrial New Jobs Training Program and miscellaneous revenue offset by decreases to tuition and fees and auxiliary fund revenue.
- District operating expenses increased 7.0%, or approximately \$2,460,000 compared to fiscal year 2014. The increase was primarily due to increases in vocational technical, cooperative services, general institution and auxiliary enterprises; and decreases in liberal arts and sciences and physical plant.
- The District's net position decreased 2.3%, or approximately \$1,050,000 from fiscal year 2014.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Basic Financial Statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the District as a whole and present an overall view of the District's finances.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the individual funds. The Budgetary Comparison Schedule of Expenditures – Budget to Actual further explains and supports the financial statements with a comparison of the District's budget for the year. The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the District to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the District's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the District owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

Net Position

	June 30,			
				2014
		2015	(1)	Not restated)
Current and other assets	\$	26,481,792	\$	24,857,145
Capital assets, net of accumulated depreciation		60,451,482		59,824,928
Total assets		86,933,274		84,682,073
Deferred outflows of resources		869,619		
Current liabilities		10,921,304		11,579,090
Noncurrent liabilities		23,633,652		20,668,188
Total liabilities		34,554,956		32,247,278
Deferred inflows of resources		9,647,246		7,814,007
Net position:				
Net investment in capital assets		42,096,598		37,279,989
Restricted		2,272,189		2,567,419
Unrestricted		(768,096)		4,773,380
Total net position	\$	43,600,691	\$	44,620,788

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position

The largest portion of the District's net position 96.6% is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position 5.2% includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining net position (1.8%) is the unrestricted net position that can be used to meet the District's obligations as they come due.

Fiscal Year 2015: The District made principal payments on certificates, bonds and notes payable totaling approximately \$12,285,000 during fiscal year 2015. This includes the refunding of a general obligation bond with outstanding principal of \$6,825,000 and the refunding of two revenue bonds with outstanding principal of \$2,625,000. The District issued approximately \$7,420,000 in new bonds related to the refunded debt. \$4,640,000 in new jobs training bonds were also issued in fiscal year 2015.

Fiscal Year 2014: The District made principal payments on certificates, bonds and notes payable totaling approximately \$4,688,000 during fiscal year 2014 and made no additional borrowings.

Governmental Accounting Standards Board Statement No. 68, <u>Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27</u> was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$5,402,547, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013, but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues of the District, both operating and non-operating, the expenses incurred by the District, operating and non-operating, and any other revenues, expenses, gains and losses of the District.

In general, a public college such as Iowa Valley Community College District will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the District. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Statement of Revenues, Expenses and Changes in Net Position (continued)

Changes in Net Position

	 Year Ended June 30,			
	2015	(Not	restated)	
Operating revenues:				
Tuition and fees	\$ 6,632,341	\$	6,795,115	
Federal appropriations	2,128,175		1,874,006	
Iowa Industrial New Jobs Training Program	2,866,008		191,781	
Auxiliary	4,960,778		5,200,291	
Miscellaneous	 1,875,715		1,870,785	
Total operating revenues	 18,463,017	1.	5,931,978	
Total operating expenses	 37,303,538	3-	4,845,085	
Operating (loss)	 (18,840,521)	(1	8,913,107)	
Non-operating revenues (expenses):				
State appropriations	11,978,042	1	0,132,422	
Pell grant	4,441,469		4,730,249	
Property tax	7,554,817		7,643,989	
Interest income from investments	20,420		7,816	
Interest on indebtedness	 (1,020,353)		1,150,961)	
Net non-operating revenues	 22,974,395	2	1,363,515	
Transfers from agency fund	 248,576		345,896	
Increase in net position	4,382,450		2,796,304	
Net position beginning of year, as restated	 39,218,241	4	1,824,484	
Net position end of year	\$ 43,600,691	\$ 4	4,620,788	

The Statement of Revenues, Expenses and Changes in Net Position reflects a decrease of 2.3%, or approximately \$1,050,000 in net position at the end of the fiscal year.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Total Revenue by Source

In fiscal year 2015, operating revenues decreased by approximately \$2,530,000. The following factors represent the significant changes:

• Tuition and fees decreased approximately \$160,000, NJTP increased approximately \$2,670,000, auxiliary enterprises revenue decreased approximately \$240,000, federal appropriations increased approximately \$250,000, and miscellaneous revenue increased approximately \$5,000.

Operating Expenses

	Year Ended June 30,			ne 30,
		2015		2014
Education and Support:				
Liberal arts and sciences	\$	8,047,681	\$	8,248,314
Vocational technical		3,520,408		3,123,923
Adult education		3,777,356		3,719,440
Cooperative services		2,641,953		124,136
Administration		2,962,028		3,014,272
Student services		1,872,598		1,902,310
Learning resources		368,144		344,221
Physical plant		2,968,997		3,465,480
General institution		2,976,277		2,815,296
Auxiliary enterprises		5,322,457		5,229,251
Loan cancellations and bad debt		98,516		183,260
Depreciation		2,747,123		2,675,182
	\$	37,303,538	\$	34,845,085

Total Expenses

In fiscal year 2015, operating expenses increased by approximately \$2,450,000. The following factors represent the significant changes:

• Liberal arts and sciences costs decreased approximately \$200,000, vocational technical increased approximately \$400,000, adult education increased approximately \$55,000, cooperative services increased approximately \$2,500,000, administration decreased approximately \$50,000, physical plant decreased approximately \$500,000, and auxiliary enterprises costs increased approximately \$90,000.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

Cash Flows

	Year Ended June 30,			
		2015		2014
Cash provided by (used by):				
Operating activities	\$	(16,478,846)	\$	(15,965,498)
Non-capital financing activities		21,287,165		23,173,054
Capital and related financing activities		(4,746,476)		(7,173,497)
Investing activities		20,420		7,816
Net increase in cash		82,263		41,875
Cash beginning of year		10,642,348		10,600,473
Cash end of year	\$	10,724,611	\$	10,642,348

Cash used by operating activities includes tuition, fees, operating grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations, Pell grant, local property tax received by the District, and the receipt and disbursement of federal direct loan program proceeds. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash provided by investing activities includes investment income received and the net change in pooled investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had approximately \$60 million invested in capital assets, net of accumulated depreciation of approximately \$32 million. Depreciation charges totaled \$2,747,123 for fiscal year 2015. Details of the capital assets are shown below.

Capital Assets, Net, At Year-End

	June 30,			
		2015		2014
Land	\$	3,463,786	\$	3,463,786
Construction in progress		43,640		435,697
Buildings		53,537,302		52,871,921
Improvements other than buildings		917,324		857,300
Equipment and vehicles		2,489,430		2,196,224
Totals	\$	60,451,482	\$	59,824,928

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At June 30, 2015, the District had approximately \$23,650,000 in debt outstanding, a decrease of \$225,000 from fiscal year 2014. The table below summarizes these amounts by type.

Outstanding Debt

		June	e 30,	
		2015		2014
Certificates payable Notes payable and revenue bonds	\$	5,290,000 18,354,884	\$	1,325,000 22,544,939
	\$	23,644,884	\$	23,869,939

More detailed information about the District's outstanding debt is presented in Note 5 to the basic financial statements.

ECONOMIC FACTORS

Iowa Valley Community College District experienced an increase in the unrestricted general operating fund net position of approximately \$24,000. This is an approximate decrease of \$48,000 from the previous fiscal year's increase in unrestricted general operating fund net position of approximately \$72,000.

Economic factors and trends that continue to draw a great deal of scrutiny by the District are:

- All state appropriations increased approximately \$1,840,000 in fiscal year 2015, an increase of approximately 18.2%.
- Property tax valuations decreased approximately \$55,000,000 or 1.3% for the 2015 collection year.
- Property tax from the 0.2025 fixed-rate levy comprised 3.7% of general operating fund revenue in fiscal year 2015.
- Tuition and fee revenue collections in the general operating fund were consistent and are the largest source of revenue for the fund, representing 5.1% of the total general operating fund revenues. While it is a significant amount of revenue, it is difficult to predict and budget due to the many variables that impact actual enrollment and the tuition and fees generated. Continued tuition rate increases create hardships for individuals seeking a college education and access to life-long learning opportunities.
- Student enrollment for fiscal year 2015 had a decrease of 6.0% in credit hours as compared to fiscal year 2014. In 2014 there was an increase in credit hours of approximately .8%. The District must continue to be aggressive in recruiting and retaining students. The impact of enrollment on the fiscal condition of the District is significant and immediate.
- Industrial New Jobs Training (260E) Projects have provided valuable resources for area business and industry for the expansion and training of their labor forces. With the downturn of the economy in recent years, it has become increasingly difficult for area businesses and industries to meet long-term debt obligation commitments for the 260E projects. This is an area of concern that is continually monitored by the District
- Labor costs to include health insurance represent 76% of expenditures in the unrestricted general operating fund. Labor costs increased as a result of the collective bargaining negotiated settlement.
- Utilities, custodial, and maintenance costs continue to rise primarily due to recent construction projects that have added a significant increase in physical plant square footage. Utility costs are funded by the fixed rate Plant Fund levy and transfers from the Unrestricted General Operating Fund. Management is utilizing more of the unrestricted operating fund to pay for utilities, which allows for more of the plant fund levy to be used for necessary maintenance and infrastructure expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Valley Community College District, 3702 South Center Street, Marshalltown, Iowa 50158.



IOWA VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION June 30, 2015

Assets	Primary Institution	
Current Assets:		
Cash, cash equivalents and pooled investments	\$ 10,460,269	
Restricted cash reserve	264,342	
Receivables:		
Accounts, net of allowance of \$5,215,477	2,347,638	
Property tax:		
Delinquent	2,965,734	
Succeeding year	7,934,780	
Due from other governments	1,725,924	
Inventories	304,314	
Prepaid expenses	478,791	
Total current assets	26,481,792	
Noncurrent Assets:		
Capital assets, net of accumulated depreciation	60,451,482	
Total noncurrent assets	60,451,482	
Total assets	86,933,274	
Deferred Outflows of Resources		
Pension related deferred outflows	869,619	

Exhibit A

	Primary	
Liabilities	Institution	
Current Liabilities:		
Accounts payable	\$ 408,804	
Salaries and benefits payable	1,668,872	
Accrued interest payable	80,041	
Advances from grantors	2,204,764	
Early retirement payable	320,849	
Compensated absences	372,991	
Certificates payable	750,000	
Notes payable, revenue and general obligation bonds	4,561,134	
Deposits held in custody for others	553,849	
Total current liabilities	10,921,304	
Noncurrent Liabilities:		
Early retirement payable	626,974	
Net pension liability	4,212,228	
Net OPEB liability	460,700	
Certificates payable	4,540,000	
Notes payable, revenue and general obligation bonds	13,793,750	
Total noncurrent liabilities	23,633,652	
Total liabilities	34,554,956	
Deferred Inflows of Resources		
Unavailable property tax revenue	7,934,780	
Pension related deferred inflows	1,712,466	
Total deferred inflows of resources	9,647,246	
Net Position:		
Net investment in capital assets	42,096,598	
Restricted for:		
Expendable:		
Scholarships and fellowships	2,040	
Cash reserve	264,342	
Loans	(3,500)	
Iowa Industrial New Jobs Training Program	248,811	
Other	1,760,496	
Unrestricted	(768,096)	
Total net position	\$ 43,600,691	

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended June 30, 2015

	Primary Institution
Operating revenues:	
Tuition and fees, net of scholarship allowances of \$5,058,242	\$ 6,632,341
Federal appropriations	2,128,175
Iowa Industrial New Jobs Training Program	2,866,008
Auxiliary enterprises revenue	4,960,778
Miscellaneous	1,875,715
Total operating revenues	18,463,017
Operating expenses:	
Education and support:	
Liberal arts and sciences	8,047,681
Vocational technical	3,520,408
Adult education	3,777,356
Cooperative services	2,641,953
Administration	2,962,028
Student services	1,872,598
Learning resources	368,144
Physical plant	2,968,997
General institution	2,976,277
Auxiliary enterprises	5,322,457
Loan cancellations and bad debt	98,516
Depreciation	2,747,123
Total operating expenses	37,303,538
Operating (loss)	(18,840,521)

(Continued on next page)

IOWA VALLEY COMMUNITY COLLEGE DISTRICT Exhibit B (Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended June 30, 2015

	Primary Institution
Non-operating revenues (expenses):	
State appropriations	\$ 11,978,042
Pell grant	4,441,469
Property tax	7,554,817
Interest income from investments	20,420
Interest on indebtedness	(1,020,353)
Net non-operating revenues	22,974,395
	4,133,874
Transfers from agency fund	248,576
Change in net position	4,382,450
Net position beginning of year, as restated	39,218,241
Net position end of year	\$ 43,600,691

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS Year Ended June 30, 2015

	Primary Institution
Cash Flows from Operating Activities:	
Cash received from tuition and fees	\$ 7,100,349
Cash received from federal appropriations	1,796,221
Cash received from Iowa Industrial New Jobs Training Program	2,866,008
Payments to employees for salaries and benefits	(19,492,105)
Payments to suppliers for goods and services	(15,585,812)
Auxiliary enterprises	4,960,778
Other receipts	1,875,715
Net cash (used by) operating activities	(16,478,846)
Cash Flows from Non-Capital Financing Activities:	
Transfers from agency funds	248,576
State appropriations	11,978,042
Pell grant	4,441,469
Property tax	5,375,273
Federal direct lending receipts	6,473,955
Federal direct lending disbursements	(6,473,955)
Miscellaneous Agency Fund receipts	1,105,131
Miscellaneous Agency Fund disbursements	(1,861,326)
Net cash provided by non-capital financing activities	21,287,165
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(3,373,677)
Proceeds from issuance of debt	12,060,000
Principal paid on debt	(12,377,855)
Interest paid on debt	(1,054,944)
Net cash (used by) capital and related financing activities	(4,746,476)
Cash Flows from Investing Activities:	
Interest from investments	20,420
Net cash provided by investing activities	20,420
Net increase in cash	82,263
Cash and cash equivalents beginning of year	10,642,348
Cash and cash equivalents end of year	\$ 10,724,611

(Continued on next page)

Exhibit C (Continued)

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS Year Ended June 30, 2015

	Primary Institution
Reconciliation of operating (loss) to net cash (used by) operating activities:	
Operating (loss)	\$ (18,840,521)
Adjustments to reconcile operating (loss) to	
net cash (used by) operating activities:	
Depreciation	2,747,123
Provision for doubtful accounts	502,078
Changes in assets and liabilities:	
(Increase) in accounts receivable	(34,070)
Decrease in due from other governments	188,682
Decrease in inventories	98,083
Decrease in prepaid expenses	3,160
(Decrease) in accounts payable	(256,535)
Increase in salaries and benefits payable	240,742
(Decrease) in net pension liability	(1,810,953)
(Increase) in deferred outflows of resources	(248,985)
Increase in deferred inflows of resources	1,712,466
(Decrease) in early retirement and net OPEB liability	(275,209)
Increase in compensated absences	15,729
(Decrease) in advances from grantors	(520,636)
Total adjustments	2,361,675
Net cash (used by) operating activities	\$ (16,478,846)
Summary of Cash, Cash Equivalents and Pooled Investments as of June 30, 2015: Cash, cash equivalents and pooled investments Cash reserve	\$ 10,460,269 264,342 \$ 10,724,611

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Exhibit D

COMBINING STATEMENT OF NET ASSETS -Component Units - Foundations (Unaudited) December 31, 2014

	Col	arshalltown Community llege District Coundation	Ellsworth College Foundation	Total	
ASSETS					
Current Assets:					
Cash and short-term investments	\$	490,083	\$ 974,706	\$ 1,464,789	
		490,083	974,706	1,464,789	
Noncurrent Assets:					
Investments		5,117,179	4,610,682	9,727,861	
Capital assets		23,000	430,500	453,500	
		5,140,179	5,041,182	10,181,361	
Total assets		5,630,262	6,015,888	11,646,150	
LIABILITIES AND NET ASSETS			270.000		
Liabilities		-	350,000	350,000	
Net assets:					
Restricted for scholarships and fellowships		524,355	3,595,984	4,120,339	
Unrestricted		5,105,907	2,069,904	7,175,811	
Total net assets	\$	5,630,262	\$ 5,665,888	\$ 11,296,150	

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - Component Units - Foundations (Unaudited)

Year Ended December 31, 2014

	C	arshalltown Community	Ellsworth			
		llege District oundation	College Foundation		Total	
Revenues:						
Operating revenues:						
Contributions	\$	1,278,286	\$ 299,673	\$	1,577,959	
Special events and grants		41,572	1,393,522		1,435,094	
Total operating revenues		1,319,858	1,693,195		3,013,053	
Expenses:						
Operating expenses:						
Scholarships and grants		299,803	142,208		442,011	
Miscellaneous		46,028	24,030	70,058		
Administration		63,475	262,446		325,921	
Total operating expenses		409,306	428,684		837,990	
Operating income		910,552	1,264,511		2,175,063	
Non-operating revenue,						
investment earnings		196,334	96,227		292,561	
Increase in net assets		1,106,886	1,360,738		2,467,624	
Net assets:						
Beginning		4,523,376	4,305,150		8,828,526	
Ending	\$	5,630,262	\$ 5,665,888	\$	11,296,150	

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Valley Community College District is a publicly supported school established and operated by Merged Area VI under the provisions of Chapter 260C of the Code of Iowa. The District offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, preprofessional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, as well as training or retraining to persons who are preparing to enter the labor market. The District maintains campuses in Marshalltown, Iowa Falls and Grinnell, Iowa, and has its administrative offices in Marshalltown. The District is governed by a Board of Directors whose members are elected from each director district within Merged Area VI.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, the District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

These financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The component units are unaudited.

Discrete Component Units

Marshalltown Community College District Foundation is a legally separate, not-for-profit foundation. The Foundation was established for the purpose of providing scholarships to students and other support for the benefit of Marshalltown Community College, a part of Iowa Valley Community College District. The Foundation is governed by a separate Board of Directors. Although the District does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Marshalltown Community College.

Ellsworth College Foundation is a legally separate, not-for-profit foundation. The Foundation was established for the purpose of providing scholarships to students and other support for the benefit of Ellsworth Community College, a part of Iowa Valley Community College District. The Foundation is governed by a separate Board of Directors. Although the District does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Ellsworth Community College.

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (continued)

The Foundations are non-profit organizations, which report under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundations' financial statements were prepared in accordance with provisions of ASC Topic 958 – Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations' financial information in the District's financial reporting for these differences. The Foundations report net assets, which is equivalent to net position reported by the District. Copies of the Foundations' financial statements may be obtained by contacting the Foundations.

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories:

<u>Net Investment Capital Assets</u>: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition or improvement of those assets.

Restricted Net Position:

Nonexpendable – Net position subject to externally-imposed stipulations that they be maintained permanently by the District, including the District's permanent endowment funds.

Expendable – Net position whose use by the District is subject to externally-imposed stipulations that can be fulfilled by actions of the District, pursuant to those stipulations or that expire by the passage of time.

<u>Unrestricted Net Position</u>: Net position not subject to externally-imposed stipulations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the District.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses and Changes in Net Position, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

<u>Cash, Cash Equivalents and Pooled Investments</u>: Investments are stated at their fair value, except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the date of purchase, have a maturity no longer than three months.

<u>Due from Other Governments</u>: This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

<u>Inventories</u>: Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expense at the time individual inventory items are consumed.

<u>Property Tax Receivable</u>: Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

<u>Receivable for Iowa Industrial New Jobs Training Program (NJTP)</u>: This represents the amount to be remitted to the District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2015 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

<u>Capital Assets</u>: Capital assets, which include land, buildings, improvements other than buildings, equipment and vehicles and construction in progress, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the District was \$1,020,353 and \$33,359 was capitalized in connection with the District's construction projects.

Capital assets are defined by the District as assets with initial, individual costs in excess of \$5,000.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

<u>Capital Assets (continued):</u> Depreciation is computed using the straight-line method over the following estimated useful lives:

	Estimated
	Useful Lives
Asset Class	(in Years)
Buildings	40
Improvements other than buildings	20
Equipment	5 - 20
Vehicles	5

The District does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

<u>Deferred Outflows of Resources:</u> Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date, but before the end of the employer's reporting period.

<u>Salaries and Benefits Payable</u>: Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

<u>Advances from Grantors</u>: Advances from grantors represent grant proceeds which have been received by the District, but will be spent in a succeeding fiscal year.

<u>Compensated Absences</u>: District employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2015.

<u>Accrued Interest Payable</u>: Interest on long-term indebtedness is recorded as a liability when the interest is incurred.

<u>Deposits Held in Custody for Others</u>: These deposits consist primarily of funds for student organizations and 260F agreements.

<u>Refundable Allowances on Student Loans</u>: The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

<u>Pensions:</u> For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

<u>Deferred Inflows of Resources:</u> Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

<u>Auxiliary Enterprise Revenues and Expenses</u>: Auxiliary enterprise revenues and expenses primarily represent revenues generated and expenses associated with the bookstore, cafeteria, athletics and housing. Revenues are recognized when goods or services are provided.

<u>Summer Session</u>: The District operates summer sessions during May, June and July including Internet sessions. Revenues and expenses for the regular and Internet summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the District Registrar.

<u>Tuition and Fees</u>: Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

<u>Income Taxes</u>: The District is exempt from income tax as a local government unit. The Marshalltown Community College District Foundation and the Ellsworth College Foundation have qualified for exemption from income tax under Section 501c (3) of the Internal Revenue Code.

<u>Operating and Non-operating Activities</u>: Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, Pell grants, property tax and interest income.

<u>Transfers</u>: Transfers from agency funds were primarily composed of amounts from student fees used in support of athletics.

<u>Use of Estimates</u>: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officials (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total college basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

Note 2. Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

<u>Interest Rate Risk</u>: The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the District.

<u>Credit Risk</u>: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk: The District's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities and obtain a reasonable rate of return. The policy does not allow the District to invest in reverse purchase agreements, futures or options. The District did not have any investments in any one issuer that represents 5% or more of total District investments. Money market funds and mutual funds are excluded from this consideration given that the District does not "hold" the underlying investments.

Note 2. Cash, Cash Equivalents and Pooled Investments (Continued)

<u>Custodial Credit Risk</u>: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.

Investments consist principally of certificates of deposit at June 30, 2015 and total \$3,522,000. These investments are included within cash, cash equivalents and pooled investments on the Statement of net position.

Note 3. Inventories

The District's inventories at June 30, 2015 are as follows:

Type	Amount						
Merchandise held for resale	\$ 304,314						

Note 4. Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2015 is as follows:

	Balance					Balance
	Beginning					End of
	of Year	ar Additions			Deletions	Year
Capital assets not being depreciated:						
Land	\$ 3,463,786	\$	-	\$	-	\$ 3,463,786
Construction in progress	 435,697		43,640		435,697	43,640
Total capital assets						
not being depreciated	 3,899,483		43,640		435,697	3,507,426
Capital assets being depreciated:						
Buildings	77,037,826		2,910,274		-	79,948,100
Improvements other than buildings	1,318,139		105,344		3,355	1,420,128
Equipment and vehicles	6,647,321		750,116		160,166	7,237,271
Total capital assets						
being depreciated	 85,003,286		3,765,734		163,521	88,605,499
Less accumulated depreciation for:						
Buildings	24,165,905		2,244,893		-	26,410,798
Improvements other than buildings	460,839		45,320		3,355	502,804
Equipment and vehicles	4,451,097		456,910		160,166	4,747,841
Total accumulated depreciation	29,077,841		2,747,123		163,521	31,661,443
Total capital assets						
being depreciated, net	 55,925,445		1,018,611		-	56,944,056
Capital assets, net	\$ 59,824,928	\$	1,062,251	\$	435,697	\$ 60,451,482

Note 5. Changes in Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended June 30, 2015 is as follows:

	ompensated Absences	I	Early Retirement Payable	OPEB Payable	Net Pension Liability	Certificates Payable	-	Notes Payable, Revenue and General Obligation Bonds	Total
Balance, beginning of year Additions	\$ 357,262 372,991	\$	1,222,527 113,302	\$ 461,205	\$ 6,023,181	\$ 1,325,000 4,640,000	\$	22,544,939 7,420,000	\$ 31,934,114 12,546,293
Reductions	 357,262		388,006	505	1,810,953	675,000		11,610,055	14,841,781
Balance, end of year	\$ 372,991	\$	947,823	\$ 460,700	\$ 4,212,228	\$ 5,290,000	\$	18,354,884	\$ 29,638,626
Due within one year	\$ 372,991	\$	320,849	\$ -	\$ -	\$ 750,000	\$	4,561,134	\$ 6,004,974

Notes Payable, Revenue and General Obligation Bonds:

The District has issued notes payable, revenue and general obligation bonds for the purchase and construction of District properties as allowed by Section 260C.19 of the Code of Iowa. Details of scheduled maturities for the District's June 30, 2015 notes payable, revenue and general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 4,561,134	\$ 530,261	\$ 5,091,395
2017	4,427,500	444,314	4,871,814
2018	2,232,500	351,498	2,583,998
2019	1,213,750	272,938	1,486,688
2020	520,000	229,688	749,688
Thereafter	 5,400,000	1,176,257	6,576,257
Total	\$ 18,354,884	\$ 3,004,956	\$ 21,359,840

Note 5. Changes in Noncurrent Liabilities (Continued)

Notes Payable, Revenue and General Obligation Bonds

Notes payable, revenue and general obligation bonds consisted of the following principal balances as of June 30, 2015:

General obligation bonds dated April 1, 2009, with interest rates between 2.45% and 3.85%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of June 1, 2019. All real estate, personal property, revenues, resources and credit of the District are collateral for the debt.	\$ 2,660,000
Dormitory revenue bonds dated December 1, 2010, with interest rates between 3.00% and 4.65%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of May 1, 2030. All real estate, personal property, revenues, resources and credit of the District are collateral for the debt.	5,180,000
Student housing revenue refund bonds dated January 2015, with an interest rate of 3.00%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of May 1, 2027. The real estate, student housing facilities and related personal property are collateral for the debt.	2,565,000
General obligation bonds dated June 1, 2008, with interest rates between 3.25% and 3.65%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of June 1, 2019. All real estate, personal property, revenues, resources and credit of the District are collateral for the debt.	3,050,000
General obligation bonds dated June 2015, with interest rates between 0.75% and 0.90%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of June 1, 2017. All real estate, personal property, revenues, resources and credit of the District are collateral for the debt.	4,700,000
U.S. Department of Agriculture, Rural Economic Development loan dated December 2008, with interest rate of 0%. Principal payments in varying amounts are due annually, with a maturity date of May 1, 2018. The revenue stream, real estate, dormitory facilities and related personal property are collateral for the debt.	131,250
Alliant Energy contracts dated January 2010, with an interest rate of approximately 6.30%. Principal and interest payments of a total of \$10,477 are due monthly with a maturity date of March 2016. Equipment is collateral for the debt.	68,634
	\$ 18,354,884

Note 5. Changes in Noncurrent Liabilities

Certificates Payable:

Pursuant to agreements dated from June 2006 to July 2014, the District has outstanding certificates totaling \$5,290,000 as of June 30, 2015, with net interest rates ranging from 1.63% to 6.25% per annum. The debt was issued to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. Amounts due will be paid from anticipated job credits, from withholding taxes, incremental property taxes, and in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal		Interest		Total	
2016	\$	750,000	\$ 23,110	\$	773,110	
2017		690,000	19,790		709,790	
2018		700,000	20,750		720,750	
2019		800,000	28,250		828,250	
2020		470,000	11,750		481,750	
Thereafter		1,880,000	56,400		1,936,400	
					_	
	\$	5,290,000	\$ 160,050	\$	5,450,050	

Since inception, the District has administered 118 projects, with 14 currently receiving project funding. Of the remaining projects, 104 have been completed and closed.

Note 6. Operating Leases

The District leases certain property and equipment under operating leases that expire between 2016 and 2017. Most of the operating leases provide the District with the option to renew the lease at a fair rental value at the end of the initial lease term. Generally, management expects that the leases will be renewed or replaced by other leases in the normal course of business. Minimum payments for operating leases having initial or remaining noncancelable terms in excess of one year are as follows:

Year Ending June 30	Amount
2016	\$ 236,888
2017	231,488
	\$ 468,376

Total rent expense for all operating leases was \$273,510 for the year ended June 30, 2015.

Note 7. Iowa Public Employees Retirement System (IPERS)

<u>Plan Description:</u> IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

<u>Pension Benefits:</u> A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retired before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

<u>Disability and Death Benefits:</u> A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

<u>Contributions</u>: Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$637,945.

At June 30, 2015, the District reports a liability of \$4,212,228 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's proportion was 0.106211 percent, which was an increase of 0.001308 from it proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$290,473. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		
Differences between expected and actual experience	\$	45,779	\$	-	
Changes of assumptions		185,895		-	
Net difference between projected and actual earnings on pension plan investments		-		1,606,422	
Changes in proportion and differences between College contributions and proportionate share of contributions		-		106,044	
College contributions subsequent to the measurement date		637,945		-	
	\$	869,619	\$	1,712,466	

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued): \$637,945 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (373,988)
2017	(373,988)
2018	(373,988)
2019	(373,986)
2020	 15,158
	\$ (1,480,792)

There are no non-employer contributing entities at IPERS.

<u>Actuarial Assumptions:</u> The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	
(effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
US Equity	23 %	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
	100 %	

<u>Discount Rate:</u> The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1%		Discount	1%	
]	Decrease (6.5%)	Rate (7.5%)		Increase (8.5%)
College's proportionate share of the					
net pension liability	\$	7,958,886	\$ 4,212,228	\$	1,049,660

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

<u>Pension Plan Fiduciary Net Position:</u> Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at <u>www.ipers.org</u>

<u>Payables to the Pension Plan:</u> At June 30, 2015, the District reported payables to the defined benefit pension plan of \$52,488 for legally required employer contributions and \$78,777 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The District contributes to the TIAA-CREF retirement program that is a defined contribution pension plan. TIAA-CREF administers the retirement plan for the District. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible District employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93 percent of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95 percent. Contributions made by both employer and employee vest immediately. For the year ended June 30, 2015, employee contributions totaled \$388,175 and the College recognized pension expense of \$582,589.

At June 30, 2015, the College reported payables to the defined contribution pension plan of \$26,811 for legally required employer contributions and \$17,911 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Note 9. Early Retirement

The District approved an Early Retirement Incentive Plan (ERIP) effective November 12, 2014. The plan expired on June 30, 2015.

To be eligible for ERIP, an employee must be employed full-time and be 55 years of age with 10 or more years of continuous service with the District. Retirement is to be effective June 30, 2015. Participation must be approved by the Chancellor.

An employee approved for participation in the program will receive the following incentives:

- 1. Early Retirement Incentive lump-sum cash severance amount of up to 50% of the employee's annual salary during the year of the request.
- 2. The employee's single deductible health insurance premium shall be paid on a monthly basis until the retiree becomes eligible for Medicare.

Note 9. Early Retirement (Continued)

The employees received the cash benefits in 36 equal installments commencing on July 15, 2015. The lump-sum payment liability is \$285,010 and is recorded as early retirement payable.

The current year cost to the District was \$113,302 including 36 participants in the health insurance plan. The liability for the participation in the health plan is \$662,813 and is recorded as early retirement payable. This portion of the liability will be paid over the next eight years. The liability was calculated using the District's share of health premiums at the time of retirement to estimate costs.

Note 10. Insurance Management Program for Area Community Colleges (IMPACC)

The District is a member of the Insurance Management Program for Area Community Colleges (IMPACC), as allowed by Chapter 504A of the Code of Iowa. IMPACC (Program) is a group self-insurance program whose five members are Iowa Community Colleges. The Program was incorporated in May 1988 for the purpose of managing and funding insurance for its members. The Program provides coverage and protection in the following categories: general liability, employee benefits liability, automobile liability, automobile physical damage, property and inland marine, wrongful acts and educators' legal liability, workers compensation and employer's liability, crime and employee fidelity, equipment breakdown (boiler and machinery), foreign liability and cyber liability. There have been no reductions in insurance coverage from prior years.

Each member's annual contributions to the Program fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Program's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year.

The District's contributions to the Program are recorded as prepaid expense from its operating funds at the time of payment. The District amortizes the expense over the periods for which the Program is expected to provide coverage.

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$100,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability, \$250,000 per occurrence for workers compensation and employer's liability and \$200,000 per occurrence for most other claims. First layer excess insurance is \$800,000 per occurrence for property, general and automobile liability, \$900,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability and \$250,000 per occurrence for workers compensation. The Program's annual aggregate retention (loss fund) is \$860,000 with stop gap loss protection is provided above the loss fund. There is additional excess insurance for workers' compensation to statutory limits and for liability claims to \$10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention and underlying layer of up to \$250,000,000 per occurrence. Flood and earthquake exposures are covered in the property program each having \$16,000,000 limits. Also covered is employee fidelity up to \$1,000,000 having a deductible of \$10,000 per member, boiler and machinery coverage up to \$100,000,000 with a deductible of \$10,000 per member loss, foreign travel coverage with limits of \$1,000,000, as well as cyber liability including identity theft protection up to \$1,000,000 annual aggregate per member with a deductible of \$25,000 per member loss.

Note 10. Insurance Management Program for Area Community Colleges (IMPACC) (Continued)

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the District's financial statements. As of June 30, 2015, settled claims have not exceeded the Program's coverage in any of the past three fiscal years.

Members agree to continue membership in the Program for a period of not less than three full years. After such period, a member who has given sufficient notice, in compliance with the By-laws, may withdraw from the Program. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

The District also carries commercial insurance purchased from other insurers for coverage associated with catastrophic, accidental death and dismemberment, and underground storage tanks. The District assumes liability for any deductibles and claims in excess of coverage limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11. Other Post-Employment Benefits Plan (OPEB)

<u>Plan Description</u>: The District operates a single-employer health benefit plan that provides medical benefits to all active (237) and retired employees (33). All full-time or regular part-time administrator, faculty, professional service or support staff employees are eligible to participate in the Plan. The employees must have terminated service with the District through retirement after the age of 55 and have worked for the District for the most recent 10 consecutive years of service.

The District provides medical benefits through a plan, purchased from Wellmark BlueCross/BlueShield. Retirees under age 65 pay the same premium for the medical benefits as active employees which results in an implicit rate subsidy and an OPEB liability.

<u>Funding Policy</u>: The District establishes and amends contribution requirements. The District pays the single retiree premium until age 65; eligible family is required to contribute 100% of the premium. The current funding policy of the District is to fund benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation: The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Community College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Note 11. Other Post-Employment Benefits Plan (OPEB) (Continued)

The following table shows the components of the District's annual OPEB cost for the year-ended June 30, 2015, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

\$ 269,366 11,530
(43,451)
237,445
 (237,950)
(505)
461,205
\$ 460,700
\$

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed \$237,950 to the medical plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows.

	Percentage			
		of Annual	Net	
	Annual	OPEB Cost	OPEB	
Fiscal Year Ended	OPEB Cost	Contributed	Obligation	
June 30, 2010	\$ 263,442	92.91%	\$ 153,719	
June 30, 2011	308,037	85.49	198,416	
June 30, 2012	364,783	76.12	285,535	
June 30, 2013	325,231	72.95	373,524	
June 30, 2014	308,804	71.61	461,205	
June 30, 2015	237,445	100.00	460,700	

<u>Funded Status and Funding Progress</u>: As of July 1, 2014, the most recent valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$2,022,144 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,022,144. The covered payroll (annual payroll of active employees covered by the plan) was \$15,657,958 and the ratio of the UAAL to covered payroll was 12.91%. As of June 30, 2015, there were no trust fund assets.

Note 11. Other Post-Employment Benefits Plan (OPEB) (Continued)

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate, an annual health care cost trend rate of 6.0%. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011. Projected claim costs of the medical plan are \$851 per month for retirees less than age 65 and \$347 per month for retirees who have attained age 65. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 12. Subsequent Events

Subsequent events have been evaluated through December 3, 2015, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 13. Deficit Fund Balance

The District has a deficient balance in the fund as listed below as of June 30, 2015. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Loan Fund \$ (3,500)

Note 14. Special Investigation

The College requested a special investigation as a result of concerns of an alleged theft of cash by a former employee. Schnurr & Company, LLPs' special investigation, performed under guidance from the Auditor of State identified \$8,885 in unauthorized reductions in cash deposits. During the same period \$2,885 was deposited from the former employee as repayment of the cash deposit reductions.

Subsequent to June 30, 2015, the former employee repaid the remaining \$6,000 to the College.

Note 15. Prospective Accounting Change

Governmental Accounting Standards Board Statement No. 68, <u>Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27</u> was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources that arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, <u>Pension Transition for Contributions Made Subsequent to the Measurement Date</u>. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after measurement date, as follows:

	Net
	Position
Net position June 30, 2014, as previously reported	\$ 44,620,788
Net pension liability at June 30, 2014	(6,023,181)
Deferred outflows of resources related to contributions	
made after the June 30, 2013 measurement date	620,634
Net position July 1, 2014, as restated	\$ 39,218,241



SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System Last Fiscal Year* (In Thousands)

Required Supplementary Information

	2015
College's proportion of the net pension liability	0.106211 %
College's proportionate share of the net pension liability	\$ 4,212
College's covered-employee payroll	\$ 7,144
College's proportionate share of the net pension liability as a	
percentage of its covered-employee payroll	58.96 %
Plan fiduciary net position as a percentage of the total pension liability	87.61 %

^{*} The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

NOTE: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the College will present information for those years for which information is available.

SCHEDULE OF COLLEGE CONTRIBUTIONS Iowa Public Employees' Retirement System Last Ten Fiscal Years (In Thousands)

Required Supplementary Information

				Year
	2015	2014	2013	2012
Statutorily required contribution	\$ 638	\$ 623	\$ 590	\$ 548
Contributions in relation to the statutorily required contribution	(638)	(623)	(590)	(548)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ _
College's covered-employee payroll	\$ 7,144	\$ 6,976	\$ 6,805	\$ 6,791
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

End	led June 3	0,					
	2011	-	2010	2009	2008	2007	2006
\$	432	\$	397	\$ 394	\$ 370	\$ 321	\$ 309
	(432)		(397)	(394)	(370)	(321)	(309)
\$	-	\$	_	\$ _	\$ _	\$ _	\$
\$	6,216	\$	5,970	\$ 6,205	\$ 6,116	5,583	5,374
	6.95%		6.65%	6.35%	6.05%	5.75%	5.75%

Notes to Required Supplementary Information – Pension Liability Year Ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual contribution rate.

Notes to Required Supplementary Information – Pension Liability (Continued) Year Ended June 30, 2015

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN Year Ended June 30, 2015 (In Thousands)

Required Supplementary Information

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Accrued Unfunded Liability AAL (AAL) (UAAL)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2010	July 1, 2008	\$ -	\$ 2,354	\$ (2,354)	-	\$ 13,425	17.53
June 30, 2011	July 1, 2010	-	2,392	(2,392)	-	14,005	17.08
June 30, 2012	July 1, 2010	-	2,392	(2,392)	-	14,516	16.48
June 30, 2013	July 1, 2012	-	2,157	(2,157)	-	14,930	14.45
June 30, 2014	July 1, 2012	-	2,157	(2,157)	-	15,369	14.04
June 30, 2015	July 1, 2014	-	2,022	(2,022)	-	15,658	12.91

See Note 11 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.



Notes to Supplementary Information Year Ended June 30, 2015

Supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

<u>Current Funds</u> – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund: The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College.

Restricted Fund: The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

<u>Loan Funds</u> – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

<u>Endowment Funds</u> – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

<u>Plant Funds</u> – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing accounts:

Unexpended: This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Retirement of Indebtedness: This account is used to account for the accumulation of resources for principal and interest payments on plant indebtedness.

Investment in Plant: This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

<u>Agency Funds</u> – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures – Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since the College used Business Type Activities reporting, this budgetary comparison information is included as supplementary information.

Notes to Supplementary Information (Continued) Year Ended June 30, 2015

Schedules presented in supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -BUDGET TO ACTUAL Year Ended June 30, 2015

				Variance Between	
	Original		Actual and		
	and Final			Amended	
Funds/Levy	Budget	Actual		Budget	
Unrestricted	\$ 25,062,729	\$ 21,667,761	\$	3,394,968	
Restricted	7,862,665	5,481,045		2,381,620	
Unemployment	10,000	25,336		(15,336)	
Tort liability	184,123	208,700		(24,577)	
Insurance	1,109,966	1,047,041		62,925	
Early retirement	375,915	113,302		262,613	
Equipment replacement	382,603	557,741		(175,138)	
Total restricted	9,925,272	7,433,165		2,492,107	
				_	
Plant	4,412,406	3,216,141		1,196,265	
Bonds and interest	5,026,374	841,652		4,184,722	
Total	\$ 44,426,781	\$ 33,158,719	\$	11,268,062	

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the District on a basis consistent with U.S. generally accepted accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutory prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Investment Act accounts, Iowa Code 260F Jobs Training, scholarships and grants account, Loan Funds and Agency Funds.

For the year-ended June 30, 2015, the District's expenditures did not exceed the amount budgeted.

See accompanying Independent Auditor's Report.

BALANCE SHEET - ALL FUNDS June 30, 2015

	Current Funds				
Assets	Uı	nrestricted Funds	I	Restricted Funds	
Cash, cash equivalents and pooled investments	\$	4,699,574	\$	5,037,949	
Restricted cash reserve		-		264,342	
Receivables:					
Accounts, net of allowance of \$5,215,477		1,031,150		789,810	
Property tax					
Delinquent		9,352		2,902,083	
Succeeding year		866,627		2,015,921	
Due from other governments		34,391		842,232	
Due from other funds		-		852,801	
Inventories		304,314		-	
Prepaid expenses		457,472		15,916	
Capital assets:					
Nondepreciable:					
Land		_		-	
Construction in progress		_		-	
Depreciable:					
Buildings		_		-	
Improvements other than buildings		_		-	
Equipment and vehicles		_		-	
Accumulated depreciation		-			
Total assets		7,402,880		12,721,054	
Deferred outflows of resources:					
Pension related deferred outflows		-			
Total assets and deferred outflows of resources	\$	7,402,880	\$	12,721,054	

See accompanying Independent Auditor's Report.

Schedule 2

Non-opera	tina	Fun	10
Non-obera	เนทช	runa	18

						_			
Loan Funds		Plant Funds			Agency Funds	Adjustments	Total		
\$	_	\$	376,194	\$	346,552	\$ -	\$	10,460,269	
·	-	·	-		-	-	4	264,342	
	-		303,000		223,678	-		2,347,638	
	-		54,299		_	_		2,965,734	
	_		5,052,232		-	_		7,934,780	
	849,301		_		-	_		1,725,924	
	, <u>-</u>		-		-	(852,801)		-	
	_		_		-	-		304,314	
	-		-		5,403	-		478,791	
			2.462.706					2.462.706	
	-		3,463,786		-	-		3,463,786	
	-		43,640		-	-		43,640	
	-		79,948,099		-	-		79,948,099	
	-		1,420,128		-	-		1,420,128	
	-		7,237,271		-	-		7,237,271	
	-		-		-	(31,661,442)		(31,661,442)	
	849,301		97,898,649		575,633	(32,514,243)		86,933,274	
						960 610		960 610	
	-		-		-	869,619		869,619	

\$ 849,301 \$ 97,898,649 \$ 575,633 \$ (31,644,624)	\$	\$ 87,802,893	
---	----	---------------	--

BALANCE SHEET - ALL FUNDS June 30, 2015

	Current Funds			
Liabilities, Deferred Inflows of Resources and Fund Balances	Unrestricted Funds			Restricted Funds
Liabilities:				
Accounts payable	\$	201,314	\$	117,089
Salaries and benefits payable		1,624,664		39,826
Accrued interest payable		-		13,338
Advances from grantors		233,350		1,971,414
Due to other funds		-		-
Early retirement payable		-		947,823
Deposits held in custody for others		_		-
Net pension liability		-		-
Compensated absences		372,991		-
Net OPEB liability		403,609		49,954
Certificates payable		-		5,290,000
Notes payable, revenue and general obligation bonds		_		-
Deposits		_		_
Total liabilities		2,835,928		8,429,444
Deferred inflows of resources:				
Succeeding year property tax		866,627		2,015,921
Pension related deferred inflows		-		-
2 6101041 1014104 40201104 111110 110		866,627		2,015,921
Fund balances:				
Net investment in capital assets		_		_
Restricted:				
Expendable:				
Scholarships and fellowships		_		2,040
Cash reserve		_		264,342
Loans		_		201,312
Iowa Industrial New Jobs Training Program		_		248,951
Other		_		1,760,356
Auxiliary enterprises		753,610		-
Unrestricted		2,946,715		_
Total fund balances		3,700,325		2,275,689
		-,,-		_,,
Total liabilities, deferred inflows of resources				
and fund balances	\$	7,402,880	\$	12,721,054

 N	lon-	operating Fur	nds		_	
 Loan Funds		Plant Funds		Agency Funds	Adjustments	Total
\$ -	\$	80,136	\$	10,265	\$ -	\$ 408,804
_		· -		4,384	-	1,668,874
-		66,703		-	-	80,041
_		_		-	-	2,204,764
852,801		-		_	(852,801)	-
-		-		-	-	947,823
-		-		553,849	-	553,849
-		-		-	4,212,228	4,212,228
-		-		-	-	372,991
-		-		7,135	-	460,698
-		-		-	-	5,290,000
-		18,354,884		-	-	18,354,884
-		_		-	-	-
852,801		18,501,723		575,633	3,359,427	34,554,956
-		5,052,232		_	-	7,934,780
-		-		_	1,712,466	1,712,466
-		5,052,232		-	1,712,466	9,647,246
_		73,758,040		_	(31,661,442)	42,096,598
		75,765,010			(61,001,112)	
-		-		-	-	2,040
-		-		-	-	264,342
(3,500)		-		-	-	(3,500)
-		-		-	-	248,951
-		-		-	-	1,760,356
-		-		-	-	753,610
 -		586,654		-	(5,055,075)	(1,521,706)
(3,500)		74,344,694		-	(36,716,517)	43,600,691
\$ 849,301	\$	97,898,649	\$	575,633	\$ (31,644,624)	\$ 87,802,893

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2015

	Current Funds				
	Unrestricted Funds	Restricted Funds	Total		
Revenues:					
General:					
Tuition and fees	\$ 11,690,583	\$ -	\$ 11,690,583		
Federal appropriations	142,186	6,427,458	6,569,644		
Iowa Industrial New Jobs Training Program	-	2,866,008	2,866,008		
State appropriations	8,965,780	2,767,149	11,732,929		
Property tax	854,276	1,630,028	2,484,304		
Interest income from investments	20,420	-	20,420		
Increase in plant investment due to plant					
expenditures, including \$1,039,238 in					
current fund expenditures	_	_	_		
Miscellaneous	1,218,976	534,343	1,753,319		
	22,892,221	14,224,986	37,117,207		
Auxiliary enterprises revenue	4,960,778	-	4,960,778		
Total revenues	27,852,999	14,224,986	42,077,985		
Expenditures:					
Education and support:					
Liberal arts and sciences	8,137,248	18,573	8,155,821		
Vocational technical	2,734,674	1,418,496	4,153,170		
Adult education	2,226,136	1,601,395	3,827,531		
Cooperative services	_	2,677,046	2,677,046		
Administration	1,145,919	1,952,120	3,098,039		
Student services	1,849,333	403,467	2,252,800		
Learning resources	372,912	122	373,034		
Physical plant	2,289,530	724	2,290,254		
General institution	2,912,009	64,268	2,976,277		
Scholarships and grants		5,058,242	5,058,242		
Total education and support	21,667,761	13,194,453	34,862,214		

Non-	ono	ratina	Funds
NOH-	one	raling	runas

	Loan Funds		Plant Funds		Adjustments		Total
\$		\$		\$	(5,058,242)	\$	6,632,341
Ф	-	Ф	-	Ф	(3,036,242)	Ф	6,569,644
	-		-		-		2,866,008
	-		245,113		-		11,978,042
	-		5,070,513		-		7,554,817
	-		3,070,313		-		20,420
	-		-		-		20,420
	-		3,373,677		(3,373,677)		-
	98,516		23,880		-		1,875,715
	98,516		8,713,183		(8,431,919)		37,496,987
	-		-		-		4,960,778
	98,516		8,713,183		(8,431,919)		42,457,765
	-		-		(108,140)		8,047,681
	-		_		(632,762)		3,520,408
	-		-		(50,175)		3,777,356
	-		_		(35,093)	(,093) 2,641,	
	-		-		(136,011) 2,96		2,962,028
	-		-		(380,202) 1,872		1,872,598
	_		-		(4,890) 36		368,144
	-		718,180		(39,437)		2,968,997
	-		-		-		2,976,277
	-		-		(5,058,242)		-
	-		718,180		(6,444,952)		29,135,442
			,		` , , , /		, , —

(Continued on next page)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2015

	Current Funds					
	Unrestricted Funds		Restricted Funds			Total
Expenditures (Continued):						
Auxiliary enterprises	\$	5,322,457	\$	-	\$	5,322,457
Loan cancellations and bad debt		-		-		-
Depreciation		-		-		-
Interest on indebtedness		-		178,701		178,701
Plant asset acquisitions		-		-		-
Disposal of plant assets		-		-		
Total expenditures		26,990,218		13,373,154		40,363,372
Transfers among funds, including						
\$248,576 from agency funds		(1,092,665)		(1,147,062)		(2,239,727)
Net increase (decrease) for the year		(229,884)		(295,230)		(525,114)
Fund balances beginning of year, as restated		3,930,209		2,570,919		6,501,128
Fund balances end of year	\$	3,700,325	\$	2,275,689	\$	5,976,014

See accompanying Independent Auditor's Report.

Non-o	pe rating	Funds
11011-0	peraume	Lunus

Loan Funds	Plant Funds	Adjustments	Total
\$ _	\$ -	\$ -	\$ 5,322,457
98,516	-	-	98,516
_	-	2,747,123	2,747,123
-	841,652	-	1,020,353
-	2,334,440	(2,334,440)	-
 -	163,521	(163,521)	
98,516	4,057,793	(6,195,790)	38,323,891
-	2,488,303	-	248,576
-	7,143,693	(2,236,129)	4,382,450
 (3,500)	67,201,001	(34,480,388)	39,218,241
\$ (3,500)	\$ 74,344,694	\$ (36,716,517)	\$ 43,600,691

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - UNRESTRICTED FUND EDUCATION AND SUPPORT Year Ended June 30, 2015

	Education						
	Liberal						
		Arts and	7	ocational	Adult		
		Sciences	,	Fechnical	Education		
Revenues:							
Tuition and fees	\$	7,192,183	\$	3,149,503	\$	997,669	
Federal appropriations		-		-		142,186	
State appropriations		-		-		-	
Property tax		-		-		-	
Interest income from investments		-		-		-	
Miscellaneous		10,489		11,354		163,889	
Total revenues		7,202,672		3,160,857		1,303,744	
Expenditures:							
Salaries and benefits		6,976,535		2,499,114		1,691,977	
Services		242,968		32,410		386,267	
Materials and supplies		71,320		122,316		93,589	
Travel		39,287		39,911		48,749	
Miscellaneous		807,138		40,923		5,554	
Total expenditures		8,137,248		2,734,674		2,226,136	
Excess (deficiency) of revenues							
over (under) expenditures		(934,576)		426,183		(922,392)	
Transfers, nonmandatory		(652,864)		-		30,001	
Net change in fund balances	\$	(1,587,440)	\$	426,183	\$	(892,391)	

Fund balance beginning of year

Fund balance end of year

See accompanying Independent Auditor's Report.

Schedule 4

				Support						Education
General Adminis- tration		Student Services		Learning Resources		Physical Plant		General Institution		and Support Total
\$ _	\$	92,019	\$	-	\$	_	\$	259,209	\$	11,690,583
_		, -		_		_		, -		142,186
8,965,780		-		-		-		_		8,965,780
854,276		-		-		-		-		854,276
20,420		-		-		-		-		20,420
 900,914		20,512		5,714		105,389		715		1,218,976
10,741,390		112,531		5,714		105,389		259,924		22,892,221
933,772		1,671,098		267,097		1,643,080		1,883,061		17,565,734
172,142		60,425		26,276		463,364		884,120		2,267,972
15,266		58,859		79,479		178,868		68,101		687,798
39,139		19,685		60		4,218		29,221		220,270
 (14,400)		39,266				-		47,506		925,987
 1,145,919		1,849,333		372,912		2,289,530		2,912,009		21,667,761
 9,595,471		(1,736,802)		(367,198)		(2,184,141)		(2,652,085)		1,224,460
(35,000)		-		-		(514,125)		(28,494)		(1,200,482)
\$ 9,560,471	\$	(1,736,802)	\$	(367,198)	\$	(2,698,266)	\$	(2,680,579)	=	23,978
										2,922,737
									\$	2,946,715

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - UNRESTRICTED FUND AUXILIARY ENTERPRISES

Year Ended June 30, 2015

	В	ookstore	Cafeteria Vending	1	Athletics
Revenues:					_
Tuition and fees	\$	-	\$ -	\$	-
Sales and services		1,094,189	960,083		22,981
Miscellaneous		130	25		279,874
Total revenues		1,094,319	960,108		302,855
Expenditures:					
Salaries and benefits		145,423	_		514,361
Services		35,732	874,368		102,044
Materials and supplies		6,842	16,886		37,806
Travel		96	_		10,407
Expended for plant assets		9,333	9,500		(241)
Purchases for resale		966,439	-		26,463
Miscellaneous		(8,102)	40,382		601,864
Total expenditures		1,155,763	941,136		1,292,704
Excess (deficiency) of revenues					
over (under) expenditures		(61,444)	18,972		(989,849)
Transfers among funds, nonmandatory		(102,000)	-		1,033,558
Net change in fund balances		(163,444)	18,972		43,709
Fund balances beginning of year		527,723	419,146		78,170
Fund balances end of year	\$	364,279	\$ 438,118	\$	121,879

Housing	Other	Total
\$ 7,181	\$ 76,873	\$ 84,054
1,945,514	12,577	4,035,344
28,439	532,912	841,380
1,981,134	622,362	4,960,778
305,099	480,531	1,445,414
149,064	132,496	1,293,704
123,523	234,017	419,074
568	3,167	14,238
111,107	159,899	289,598
-	310	993,212
219,940	13,133	867,217
 909,301	1,023,553	5,322,457
1,071,833	(401,191)	(361,679)
 (976,668)	152,927	107,817
95,165	(248,264)	(253,862)
4 -=0 -1-	/4 - -4 "	4 00= 4==
 1,659,647	(1,677,214)	1,007,472
\$ 1,754,812	\$ (1,925,478)	\$ 753,610

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - RESTRICTED FUND Year Ended June 30, 2015

	Insurance		nployment pensation	Early Retirement		Equipment Replacement	
Revenues and other additions: Federal appropriations	\$	_	\$ -	\$	-	\$	-
Iowa Industrial New Jobs Training Program State appropriations Property tax	1,1	- 11,362 130,894	- 100 9,902		3,747 109,555		3,814 379,677
Miscellaneous Total revenues and other additions	1.	-	10.002		112 202		325
other additions	1,.	142,256	10,002		113,302		383,816
Expenditures:							
Salaries and benefits		-	25,336		113,302		-
Services	1,2	242,095	-		-		-
Materials and supplies Travel		9,009	-		-		471,891 -
Expended for plant assets		4,637	-		-		85,850
Interest on indebtedness		-	-		-		-
Scholarships and grants		-	-		-		-
Miscellaneous		-	-		-		-
Total expenditures	1,2	255,741	25,336		113,302		557,741
Excess (deficiency) of revenues over (under) expenditures	7-	113,485)	(15,334)				(173,925)

Schedule 6

Cash Reserve		Iowa Industrial New Jobs Training Program	In	orkforce vestment Act and omise Jobs	Scholarships	Other	Total
\$	-	- \$ -		881,747	\$ 4,713,780	\$ 831,931	\$ 6,427,458
		2055000					2000000
	-	2,866,008		-	-	-	2,866,008
	-	-		-	-	2,748,126	2,767,149
	-	-		-	-	-	1,630,028
		122,968		-	252,001	159,049	534,343
	-	2,988,976		881,747	4,965,781	3,739,106	14,224,986
	-	(10,260)		680,014	116	1,099,125	1,907,633
	-	2,687,306		50,768	-	350,503	4,330,672
	-	-		33,462	-	219,406	733,768
	-	-		9,533	-	35,562	45,095
	-	-		-	-	597,428	687,915
	-	178,702		-	-	_	178,702
	-	-		-	4,915,267	195,926	5,111,193
	-	-		107,970	142,859	127,347	378,176
	-	2,855,748		881,747	5,058,242	2,625,297	13,373,154

(Continued on next page)

(92,461)

1,113,809

851,832

133,228

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - RESTRICTED FUND (CONTINUED) Year Ended June 30, 2015

	Insurance			employment mpensation	Re	Early etirement	Equipment Replacement	
Excess (deficiency) of revenues over (under) expenditures	\$	(113,485)	\$	(15,334)	\$	-	\$	(173,925)
Transfers: Non-mandatory transfers in Non-mandatory transfers (out)		-	•	- -		- -		- -
Net change in fund balances		(113,485)		(15,334)		-		(173,925)
Fund balance beginning of year		401,668		110,594		_		640,942
Fund balance end of year	\$	288,183	\$	95,260	\$	-	\$	467,017

Schedule 6 (Continued)

	Cash		va Industrial New Jobs	Inv	orkforce vestment act and					
]	Reserve	Training Program		Promise Jobs		Scl	holarships	Other	Total	
\$	-	\$	133,228	\$	-	\$	(92,461)	\$ 1,113,809	\$	851,832
	- -		- (122,968)		- -		85,170 (1,502)	122,238 (1,230,000)		207,408 (1,354,470)
	- 264,342		10,260 238,691		- 1,649		(8,793) 10,833	6,047 902,200		(295,230) 2,570,919
\$	264,342	\$	248,951	\$	1,649	\$	2,040	\$ 908,247	\$	2,275,689

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS - AGENCY FUNDS

Year Ended June 30, 2015

	Student Clubs and Organizatio	Bu I Jo	owa Small siness New bs Training Program	Federal Direct Student Loan Program		
Balances, beginning of year	\$ 679,31		256,838	\$ -		
Additions:						
Tuition and fees	161,32	21	_	_		
Federal appropriations	101,32	-	_	6,473,955		
State appropriations		_	135,420	-		
Sales and service		_	-	_		
Interest income from investments		_	_	_		
Miscellaneous	73,50	00	_	_		
Transfers in	158,67		-	-		
Total additions	393,49	96	135,420	6,473,955		
Deductions:						
Salaries and benefits		_	_	_		
Services	28,74	13	_	6,473,955		
Materials and supplies	71		228,362	-		
Travel	16,14	13	_	-		
Scholarships and grants	,	_	_	-		
Miscellaneous	679,74	19	_	-		
Transfers out	169,25	66	-	-		
Total deductions	894,60)9	228,362	6,473,955		
Net additions and deductions	(501,11	.3)	(92,942)	-		
Balances, end of year	\$ 178,20)6 \$	163,896	\$ -		

	Other	Total					
\$	373,887	\$	1,310,044				
	190,788		352,109				
	-	6,473,955					
	-		135,420				
	1,050		1,050				
	4,463		4,463				
	379,914		453,414				
	-		158,675				
	576,215		7,579,086				
	299,549		299,549				
	54,222	6,556,920					
	32,287		261,367				
	2,897		19,040				
	39,266		39,266				
	72,139		751,888				
	237,995		407,251				
,							
	738,355		8,335,281				
	(162,140)		(756,195)				
\$	211,747	\$	553,849				

SCHEDULE OF CREDIT AND CONTACT HOURS Year Ended June 30, 2015

		Credit Hours	
	Eligible	Not Eligible	
Category	for Aid	for Aid	Total
Arts and Sciences	45,290	-	45,290
Vocational Education	16,827	-	16,827
Adult/Continuing Education	-	-	-
Relative services and activities		-	-
	62,117	-	62,117

Schedule 8

	Contact Hours										
Eligible	Not Eligible										
for Aid	for Aid	Total									
867,870	-	867,870									
409,941	-	409,941									
226,054	52,607	278,661									
	8,741	8,741									
1,503,865	61,348	1,565,213									

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES For the Last Ten Years

				Year Ended
	2015	2014	2013	2012
Local (property tax)	\$ 7,554,817	\$ 7,643,989	\$ 7,940,965	\$ 7,819,243
State	11,978,042	10,132,422	9,322,882	8,216,581
Federal	6,569,644	6,604,255	7,442,415	8,534,320
Total	\$ 26,102,503	\$ 24,380,666	\$ 24,706,262	\$ 24,570,144

Schedule 9

Jui	ne 30,					
	2011	2010	2009	2008	2007	2006
\$	8,158,905	\$ 8,387,272	\$ 8,007,097	\$ 6,111,570	\$ 2,974,441	\$ 4,185,012
	8,404,161	8,339,792	9,703,794	9,286,788	8,173,972	7,796,195
	10,537,603	9,031,124	5,635,737	5,398,207	4,961,791	4,817,427
\$	27,100,669	\$ 25,758,188	\$ 23,346,628	\$ 20,796,565	\$ 16,110,204	\$ 16,798,634

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION For the Last Ten Years

				Year	Er	nded June 30,
	2015	2014		2013		2012
Revenues:						
Tuition and fees	\$ 11,690,583	\$ 12,072,785	\$	12,878,517	\$	12,568,466
Federal appropriations	6,569,644	6,604,255		7,442,415		8,534,320
Iowa Industrial New Jobs						
Training Program	2,866,008	191,781		355,490		187,996
State appropriations	11,732,929	9,621,103		8,752,513		7,802,779
Property tax	2,484,304	2,600,044		2,919,367		2,869,835
Interest income on investments	20,420	7,816		22,903		25,589
Auxiliary enterprises	4,960,778	5,200,291		5,480,533		4,940,960
Miscellaneous	1,753,319	1,672,299		1,724,202		1,968,213
Total	\$ 42,077,985	\$ 37,970,374	\$	39,575,940	\$	38,898,158
Expenditures:						
Liberal arts and sciences	\$ 8,155,821	\$ 8,248,314	\$	8,035,736	\$	7,362,342
Vocational technical	4,153,170	3,433,801	·	3,206,456		3,267,483
Adult education	3,827,531	3,727,980		3,883,853		3,910,942
Cooperative services	2,677,046	124,136		232,393		116,148
Administration	3,098,039	3,047,019		2,947,224		3,254,711
Student services	2,252,800	2,046,400		1,942,928		2,125,020
Learning resources	373,034	344,221		340,683		362,148
Physical plant	2,290,254	2,320,602		2,276,583		2,013,582
General institution	2,976,277	2,815,296		2,749,662		2,699,167
Auxiliary enterprises	5,322,457	5,229,251		5,581,531		5,237,646
Scholarships and grants	5,058,242	5,277,670		5,948,672		6,069,431
Interest on indebtedness	 178,701	88,609		129,520		169,266
Total	\$ 40,363,372	\$ 36,703,299	\$	37,275,241	\$	36,587,886

	2011	2010	2000	2000	2007	2007
	2011	2010	2009	2008	2007	2006
\$	12,415,322	\$ 11,840,096	\$ 10,569,489	\$ 9,722,717	\$ 9,308,933	\$ 9,215,995
	10,272,918	9,031,124	5,635,737	5,398,207	4,961,791	4,817,427
	734,179	755,284	126,998	443,054	849,651	1,000,696
	7,600,479	7,454,587	9,135,825	8,790,312	8,076,377	7,697,195
	3,352,247	3,414,606	3,117,447	2,676,194	2,285,177	3,534,365
	29,730	85,802	168,850	342,254	468,224	372,736
	5,300,121	4,301,360	3,540,993	3,096,711	3,094,615	2,785,620
	2,017,103	2,334,461	2,586,400	2,700,872	1,981,019	2,474,123
\$	41,722,099	\$ 39,217,320	\$ 34,881,739	\$ 33,170,321	\$ 31,025,787	\$ 31,898,157
\$	7,039,930	\$ 6,563,330	\$ 6,608,653	\$ 6,277,936	\$ 5,704,349	\$ 5,587,359
	4,062,416	3,335,223	3,516,374	3,117,830	2,764,019	2,787,184
	4,005,771	4,385,891	4,325,487	4,353,103	4,357,449	4,563,086
	139,859	906,370	123,438	547,971	722,804	716,523
	3,760,728	4,185,175	3,843,730	2,846,141	2,609,614	4,004,208
	1,898,797	2,226,385	2,595,514	2,668,599	2,505,632	2,429,067
	308,779	403,881	531,358	485,317	502,383	500,043
	2,416,501	2,026,131	1,980,232	1,846,972	1,792,134	1,814,962
	3,287,024	3,160,641	2,797,377	2,930,965	2,614,364	2,363,806
	5,889,583	5,004,438	3,906,825	3,328,213	3,257,506	2,941,075
	6,708,968	5,737,046	3,674,622	3,136,390	2,850,073	2,919,550
	213,873	226,201	259,135	303,319	362,595	407,133
-	,,-,-	- , -	. ,	.,-		.,
\$	39,732,229	\$ 38,160,712	\$ 34,162,745	\$ 31,842,756	\$ 30,042,922	\$ 31,033,996

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2015

	Federal		
Federal Grantor/Pass-Through	CFDA	Federal	
Grantor/Program Name	Number	Expenditures	New Loans
Direct:			
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	\$ 138,229	\$ -
Federal Direct Student Loans	84.032	-	6,473,955
Federal Work-Study Program (FWS)	84.033	134,081	-
Federal Pell Grant Program	84.063	4,441,469	_
Total Student Financial Assistance Cluster		4,713,779	6,473,955
TRIO Student Support Services	84.042	196,144	
U.S. Department of Agriculture			
NIFA SPECA Advanced Integration of			
Precision Ag Activities	10.226	46,580	
Total Direct		4,956,503	6,473,955
Indirect:			
U.S. Department of Education:			
Iowa Department of Education:			
Carl Perkins	84.048A	92,032	-
Iowa Adult Education and Family Literacy Act (AEFLA)	84.002	119,752	-
AEFLA: Teacher Training (Effectiveness)	84.002	2,133	-
AEFLA: Information Management	84.002	858	-
AEFLA: Technology Grant	84.002	3,152	-
Professional Development Expansion Project	84.002	4,000	-
EL/Civics	84.002	12,291	-
Total Iowa Department of Education		234,218	
U.S. Department of Labor:			
Iowa Workforce Development:			
Workforce Investment Act (WIA) Cluster:			
Adult Formula and Statewide	17.258	91,193	-
Youth and Statewide	17.259	110,718	-
Discretionary	17.260	102,904	_
General Administration	17.260	41,330	-
Total Workforce Investment Act (WIA) Cluster		346,145	

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2015

-			
	Federal		
Federal Grantor/Pass-Through	CFDA	Federal	
Grantor/Program Name	Number	Expenditures	New Loans
Indirect (Continued):			
U.S. Department of Labor (continued):			
Des Moines Area Community College:			
Trade Adjustment Assistance Community College and Career	•		
Training	17.282	\$ 492,623	\$ -
Total U.S. Department of Labor		838,768	
U.S. Department of Heath and Human Services:			
Iowa Workforce Development, Job Opportunities and			
Basic Skills Training (Promise Jobs)	93.558	535,603	
U.S. National Science Foundation: Iowa State University:			
Louis Stokes Alliances for Minority Participation (LSAMP)	47.076	4,552	-
Total Indirect		1,613,141	
Total		\$ 6,569,644	\$ 6,473,955

Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Iowa Valley Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of Iowa Valley Community College District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States, the financial statements of Iowa Valley Community College District, Marshalltown, Iowa, and the aggregate discretely presented component units as of and for the year-ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Valley Community College District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Valley Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Valley Community College District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Iowa Valley Community College District's financial statements will not be prevented or detected and corrected on a timely basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Valley Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the District's operations for the year-ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

<u>Iowa Valley Community College District's Responses to Findings</u>

Iowa Valley Community College District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Iowa Valley Community College District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with <u>Government Auditing Standards</u> in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Dodge, Iowa December 3, 2015

Schnew & Company, LLP



Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Directors of Iowa Valley Community College District:

Report on Compliance for Each Major Federal Program

We have audited Iowa Valley Community College District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 <u>Compliance Supplement</u> that could have a direct and material effect on each of its major federal programs for the year-ended June 30, 2015. Iowa Valley Community College District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibilities

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibilities

Our responsibility is to express an opinion on compliance for each of Iowa Valley Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States, and OMB Circular A-133, <u>Audits of States</u>, <u>Local Governments</u>, and <u>Non-Profit Organizations</u>. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Iowa Valley Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Iowa Valley Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year-ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Iowa Valley Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iowa Valley Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Valley Community College District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Iowa Valley Community College District's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Iowa Valley Community College District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fort Dodge, Iowa December 3, 2015

Schnew & Company, LLP

65

Schedule of Findings and Questioned Costs

Year-ended June 30, 2015

Part I: Summary of the Independent Auditor's Results:

- (a) An unmodified opinion was issued on the financial statements.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance that is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose audit findings that are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:

CFDA Number 93.558 – U.S. Department of Health and Human Services

• Clustered Programs:

Student Financial Assistance Cluster:

```
CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grants (SEOG)
```

CFDA Number 84.032 – Federal Direct Student Loans

CFDA Number 84.033 – Federal Work-Study Program (FWS)

CFDA Number 84.063 – Federal Pell Grant Program

Workforce Investment Act Cluster:

CFDA Number 17.258 - Adult Formula and Statewide

CFDA Number 17.259 - Youth and Statewide

CFDA Number 17.260 - Discretionary

CFDA Number 17.260 – General Administration

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Iowa Valley Community College District qualified as a low-risk auditee.

Schedule of Findings and Questioned Costs (Continued) Year-ended June 30, 2015

Part II: Findings Related to the Financial Statements:

Internal Control Deficiencies

<u>Segregation of Duties</u> – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. In the area of student receipts, one employee has control of substantially all general accounting functions.

<u>Recommendation</u> – The District should review its control procedures over student receipts to obtain the maximum internal control possible under the circumstances.

<u>Response</u> – Subsequent to year-end the District reviewed and implemented additional control procedures to obtain the maximum segregation of duties possible.

<u>Conclusion</u> – Response accepted.

Instances of Noncompliance

No matters were reported.

Part III: Findings and Questioned Costs For Federal Awards:

Internal Control Deficiencies

No matters were reported.

Instances of Noncompliance

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-15 <u>Certified Budget</u> Expenditures for the year-ended June 30, 2015 did not exceed the amount budgeted.
- IV-B-15 <u>Questionable Disbursements</u> No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-15 <u>Travel Expense</u> No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-15 <u>Business Transactions</u> No business transactions between the District and District officials or employees were noted.

Schedule of Findings and Questioned Costs (Continued) Year-ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting (Continued):

- IV-E-15 <u>Bond Coverage</u> Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-15 <u>Board Minutes</u> No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-15 <u>Publication</u> The District published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-15 <u>Deposits and Investments</u> No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the District's investment policy were noted.
- IV-I-15 <u>Credit and Contact Hours</u> Eligible credit and contact hours reported to the Iowa Department of Education by the District for the year ended June 30, 2015 were supported by detailed records maintained by the District.